

Morning Alert - Wednesday, May 16, 2018

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HEADLINES

Morning news

NHK gave top play to a report that, according to the Korean Central News Agency, North Korea canceled the inter-Korean ministerial meeting scheduled for today in reaction to the regular U.S.-ROK military exercises being conducted from May 11 and also hinted at the possible cancelation of the U.S.-DPRK summit next month. All commercial networks led with updates on the arrest of a man for the murder of a girl in Niigata.

Main front-page items in national dailies included the continuing turbulence in the Palestinian territories associated with the relocation of the U.S. Embassy to Jerusalem, updates on the arrest of a man in connection with the murder of a primary school girl in Niigata, and the admission by Suruga Bank that many of its workers were aware of the forgery of internal documents connected to the screening of loans related to investment in share houses.

AMBASSADOR

Ambassador Hagerty says abductions to be addressed in U.S.-DPRK summit

Mainichi reported on remarks made on Tuesday by Ambassador Hagerty at the Wall Street Journal CEO Council Conference. The Ambassador reportedly said the Japanese abductees will be one of the issues at the top of President Trump's agenda in his planned summit with DPRK leader Kim Jong Un. The Ambassador reportedly added that he was optimistic about the North Korea situation from a business perspective, noting that since the Kim regime is dependent on China for trade, it would welcome the opportunity to diversify its risk.

Sankei also took up the Ambassador's remarks on North Korea at the conference, quoting him as saying that there is "no daylight" between Japan and the U.S. in their goals for the coming U.S.-

DPRK summit. The Ambassador reportedly dismissed the concern held by some Japanese that the President may conclude with Kim a deal that focuses on nuclear-armed ICBM programs and leaves Pyongyang with missiles and biological and chemical weapons that could reach Japan by saying: "All weapons of mass destruction programs and short- and medium-range missiles will be addressed." As for the abductions, the Ambassador was quoted as saying: "As the issue is a matter of importance to Prime Minister Abe, President Trump has made clear that it will be put on agenda of the U.S.-DPRK summit."

INTERNATIONAL

A/S Thornton expresses expectations for U.S.-DPRK summit

NHK reported this morning that Acting Assistant Secretary for East Asian and Pacific Affairs Susan Thornton delivered a speech at the Wall Street Journal CEO Council Conference held on Tuesday evening. She reportedly expressed expectations for the U.S.-DPRK summit slated for June 12 in Singapore, saying: "Chairman Kim Jong Un is young and hopes to change his country. We have a feeling that he is trying to promote sincere dialogue and actions as much as possible." She also reportedly stressed that North Korea's denuclearization is the top priority issue at the summit.

Ex-senior DOS official comments on U.S.-DPRK summit

Asahi carried an interview with former Assistant Secretary of State Russel, who praised Japan for maintaining a tough line toward North Korea. As for the upcoming summit between President Trump and DPRK leader Kim Jong Un, Russel projected that the two leaders will discuss not only nuclear and missile issues but also a peace treaty, bilateral diplomatic normalization, and economic support for the impoverished country. The former diplomat also contended there is a down side to the decision to meet with Kim, explaining that the summit could weaken the international pressure on North Korea, reduce deterrence, and undermine unity among the U.S., Japan, China, South Korea, and Russia.

South Korean leader urged Japan to start dialogue with DPRK

Asahi took up a speech on Tuesday by former LDP Vice President Yamasaki, during which he disclosed that when he visited Seoul earlier this month, he was told by ROK Prime Minister Lee Nakyeon that Japan should communicate with North Korea. The top South Korean official reportedly underscored the importance of reconvening the Six-Party Talks for extending economic support to the DPRK in the event that a nuclear deal is reached in the planned U.S.-DPRK summit, adding that PM Abe should hold a summit with Kim Jong Un so that Japan can play a key role in the resumed multilateral dialogue.

Asahi: U.S. decision on Iran sanctions triggers apprehension

Asahi wrote in an analysis piece that Japan, Europe, and other countries are concerned about the Trump administration's moves to reinstate economic sanctions on Iran since commercial firms of a third country doing business with the Iranians would also be subject to the envisaged U.S. penalties.

The daily said petroleum transactions with Tehran will probably be most affected by the U.S.'s "secondary sanctions," projecting that America's trading partners will hold negotiations with the Trump administration in order to ask for exemptions. It added that Washington appears to be flexing its economic muscles to press its trading partners to take a concerted approach in stepping up pressure on Tehran.

Kono refuses to confirm existence of alleged Japanese document on U.S. nuclear weapons

Asahi took up yesterday's Diet session, in which Foreign Minister Kono rebuffed a query by an opposition lawmaker asking if the Japanese government presented to a blue-ribbon panel on nuclear weapons commissioned by U.S. Congress in 2009 a document allegedly calling for the U.S. to continue to maintain a nuclear arsenal. Kono refused to acknowledge whether or not such a document exists on the grounds that the Congressional Commission on the Strategic Posture of the United States conducted deliberations behind closed doors.

Vietnamese leader to visit Japan

Nikkei reported that Vietnamese President Tran Dai Quang will visit Japan from May 29 through June 2 as a state guest, saying that he will hold a summit with Prime Minister Abe and have an audience with the Emperor and Empress. Chief Cabinet Secretary Suga said the presidential visit will present the two nations with an opportunity to further deepen their broad bilateral strategic partnership.

ECONOMY

Former USTR Froman supports President Trump's trade pressure on China

Nikkei published an interview with former USTR Froman, in which he gave the Trump administration high marks for applying trade pressure on China by saying: "There is a chance that it will bring a structural change" in bilateral trade. As for the TPP, the former Obama administration official said the President's decision to withdraw from the regional free trade pact was, in his opinion, a big mistake, stressing that a multilateral trade deal better serves U.S. interests than a bilateral arrangement.

U.S. to ease trade pressure on China

All papers reported on what appears to be the Trump administration's shift in its tough approach toward China on the trade front, highlighting Commerce Secretary Ross's announcement on Monday that the U.S. is exploring alternatives to punish China's ZTE Corp. for violating trade sanctions on Iran and North Korea. Asahi speculated that President Trump may have decided to relax his hardline toward the Xi administration in order to ensure Chinese cooperation for his planned summit with DPRK leader Kim Jong Un.

SECURITY

Okinawa leader acknowledges having surgery to remove pancreas cancer

All papers reported that Okinawa Governor Onaga held a press conference yesterday right after he was discharged from the hospital where he underwent surgery to remove cancer in his pancreas. The governor expressed hope for resuming his official duties expeditiously by stressing that the surgery was a success. Asked if he would seek reelection in the gubernatorial race this autumn, the Okinawa chief simply stated that his foremost goal at this point is to fulfill his mandate from voters by carrying out his duties without fail.

